IN THE

Supreme Court of the United States

OCTOBER TERM, 1950.

No. [redacted] 71

JOSEPH W. JONES,

Petitioner,

-against-

MOTOROLA, INC.,

Respondent,

and

DAVEGA STORES CORP. and MOTOROLA-NEW YORK, INC.,

Defendants.

BRIEF OF RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1950.

No. 758

JOSEPH W. JONES,

Petitioner,

-against-

MOTOROLA, INC.,

Respondent,

and

DAVEGA STORES CORP. and MOTOROLA-NEW YORK, INC.,

Defendants.

BRIEF OF RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

STATEMENT OF THE CASE.

Petitioner makes no reference to Rule 38(5) of the Rules of this Court either in his petition or in his brief in support of his petition, and it is submitted that the instant case presents no reason or ground such as is required by the rule for the grant of certiorari. However, before discussing the basis for this conclusion, respondent desires to briefly set forth the facts in the case, for there are numerous omissions of fact, and ambiguities, within the 21-page petition and brief filed by petitioner herein.

Joseph W. Jones, alleging residence in the State of Connecticut, filed suit in the District Court for the Southern District of New York against respondent, Motorola, Inc., an Illinois corporation, of Chicago, Illinois, (hereinafter called Chicago company), against Davega Stores Corp. a dealer in New York City in radio, television, sporting goods and other products, and against Motorola-New York, Inc., (hereinafter called New York company) of New York City, a New York corporation. The latter is simply one of a number of independent wholesale distributors in the United States of respondent's (Chicago company) manufactured products, (R. 23, 35), and is connected with the Chicago company only by agreements covering the conditions necessary in the New York company's conduct as such an independent wholesaler moving the goods purchased from the Chicago company into retail channels.

Petitioner alleges rights in MOTROLA, and he complains of the use of MOTOROLA by respondent as its trade-mark on its manufactured goods, and of the use thereof as a trade-name and in its corporate name. Petitioner asked for

an injunction and damages. The proofs show that the Chicago company's trade-mark and its trade-name for 20 years has been MOTOROLA (R. 22). During that time MOTOROLA has become one of the best known, and most highly respected trade-marks in the radio and television industry, as well as in the so-called electronics industry generally.

Petitioner served with summons in New York City, Davega Stores Corp., as well as Motorola-New York, Inc. (New York company). In attempting to serve respondent (Chicago company), the Marshal served Sara Skolnik who, the proofs show, was merely an *employee of the New York company.* Sara Skolnik was *not an agent* for the Chicago company, *did not work* for the Chicago company, and in fact, *had no connection* with the Chicago company (R. 24, 35). The proofs also showed (R. 23) that the New York company, her employer, was not an agent for the Chicago company.

The Chicago company filed a motion under Rule 12(b) (FRCP) to quash service of summons and dismiss the action, and submitted therewith supporting affidavits of Charles E. Green, its secretary and general counsel (R. 22), and of Morris Miller, the vice president and general counsel (R. 34) for the New York company, as well as that of Sara Skolnik (R. 24), the New York company employee who was served. These affidavits recited the above-noted facts, and further, that the New York company merely purchased from the Chicago company radio sets and television sets and then resold the same to retail dealers in a specified territory around New York City. These proofs showed further, that the New York company was owned by its President, Nathan Cooper, and that the Chicago company had no stock or any other financial interest in the same. There are no interlocking directorates between the

two companies, no officer, director or employee of the Chicago company is a director of the New York company, and vice versa.

In addition, the proofs showed that the Chicago company maintained no office within the jurisdiction of the District Court for the Southern District of New York, or in New York State, was not, and never had been licensed to do business in New York State, and maintained simply, a manufacturer-wholesale distributor relationship with the New York company. This relationship was defined by a standard wholesale distributor agreement (R. 36), and by an agreement (R. 49) providing for a license to use MOTOROLA in the distributor's trade-name, but without in any other way making the New York company anything other than a wholesale distributor of the Chicago company's manufactured products sold under the trade-mark MOTOROLA. Inasmuch as the Chicago company had rights resulting from more than 20 years of national and world-wide use of its trade-mark and trade-name MOTOROLA, and statutory rights therein represented in four United States trade-mark registrations on the mark MOTOROLA (R. 50), the earliest, No. 275,837, dating back to September 30, 1930, this license agreement with the New York company provided merely for the safeguards to the Chicago company which would protect its good will, prestige, and reputation represented in MOTOROLA, so long as the New York company was licensed to maintain this corporate name.

Petitioner in opposition to the Chicago company's motion under Rule 12(b), filed two affidavits (R. 28, 53) of its counsel, the attorney of record for petitioner below and in the present action before this Court. These consist principally of arguments and questions and do not contain a

single statement of fact refuting the facts in the affidavits of the responsible officers of the Chicago company (R. 22) and the New York company (R. 34), nor that of the New York company clerical employee (R. 24) who was served with summons in attempting to reach the Chicago company.

The District Court upon all affidavits in the present record, and after arguments by counsel, held (R. 57) that the New York company was not an agent of the Chicago company, and that service on an employee of the former was not service on the latter, and granted the Chicago company's motion to quash service and dismiss the action (*Jones* v. *Davega Stores Corp. et al,* 10 F.R.D. 434).

Upon appeal to the Court of Appeals for the Second Circuit by plaintiff-petitioner Jones, that Court (R. 64) affirmed the District Court (*Jones* v. *Motorola, Inc. et al,* 186 F.(2) 707).

In the argumentative affidavits filed upon behalf of petitioner before the District Court (R. 28, 53), he requested that the matter be referred to a referee or master to take testimony, and urged this grounds in the hearing before the District Court. The District Court rejected this plea, holding (R. 57):

> "• • • on the showing before me it would only unfairly harass Motorola-New York, Inc., which the plaintiff seeks to have subject to investigation."

The Court of Appeals (R. 65) held that inasmuch as the facts which they set forth in their opinion "were made to appear without substantial contradiction, there was no adequate basis for a reference."

ARGUMENT.

The Decision of the Circuit Court of Appeals Is Not In Conflict With the Decisions of this Court, Nor of Any Other Circuit Court of Appeals, and the Petition Does Not Meet the Requirements of Rule 38(5)(b).

Inasmuch as the decisions of both the District Court, and the Court of Appeals turned upon the requirements for valid service of summons upon the respondent (Chicago company), we will look first at the legal requirements for service of process on corporations. The pertinent sections of Rule 4(d) (FRCP) require that service be made:

> "(3) Upon a domestic or foreign corporation or upon a partnership or other unincorporated association which is subject to suit under a common name, by delivering a copy of the summons and of the complaint to an officer, a managing or general agent, or to any other agent authorized by appointment or by law to receive service of process and, if the agent is one authorized by statute to receive service and the statute so requires, by also mailing a copy to the defendant.
>
> (7) Upon a defendant of any class referred to in paragraph (1) or (3) of this subdivision of this rule, it is also sufficient if the summons and complaint are served in the manner prescribed by any statute of the United States or in the manner prescribed by the law of the state in which the service is made for the service of summons or other like process upon any such defendant in an action brought in the courts of general jurisdiction of that state."

Under paragraph (7) above, a corporation may be served in the manner prescribed by the law of the State in

which service is made. Service on a foreign corporation, under the New York law (Sec. 229, N. Y. Civ. Pract. Act) must be made either (1) on an officer of the corporation; or (2) on a public officer or person designated for that purpose by the corporation by certificate filed with the Secretary of State; or (3) on "the cashier, director, or managing agent of the corporation within the state"—if service cannot be effected as provided in clauses (1) and (2). The requirements for service under the New York law are not, therefore, substantially different from those under the Federal Rules of Civil Procedure.

Petitioner acknowledged (R. 28) that service was made upon Sara Skolnik. He has submitted no evidence refuting the statements in her affidavit (R. 25), and in those of Messrs. Green (R. 24), and Miller (R. 35) that she was merely a clerical employee for the New York company, was not in the employ of the Chicago company and had no connection with the Chicago company, nor was she authorized to accept service of summons for the Chicago company. Therefore, petitioner has not refuted respondent's proofs on the conditions under which service upon it was attempted.

The conclusion of the Circuit Court of Appeals herein, is in direct conformance with prior decisions of that Court (*Echeverry* v. *Kellogg Switchboard & Supply Co.*, 2 Cir., 175 F.2d 900; *Deutsch* v. *Hoge et al*, 2 Cir., 146 F.2d 201), and no conflicting decision from this Court, or any other Court on this question of service has been cited by petitioner.

Although petitioner argues that the New York company is the agent of the Chicago Company, this argument is *directly refuted* by the proofs (R. 23, 34, and 52) herein, and no evidence to the contrary was submitted by petitioner

in the two argumentative affidavits of his counsel (R. 28, 53). No new, or conflicting law of agency is involved in the decision of the Circuit Court of Appeals, for that Court accepted the unrefuted proofs that the New York company was simply one of many independent wholesale distributors in the United States handling the products of the Chicago company, and had no other relationship with the Chicago company except as represented in the standard wholesale distributor agreement (R. 36) governing the direct handling of the manufacturers products, and the agreement (R. 49) covering the New York company's conduct insofar as the Chicago company desired to protect the prestige and good will in its trade-mark MOTOROLA.

Petitioner contends that the Court of Appeals has decided an important question turning on the matter of "doing business" by a foreign corporation so as to effectively reverse the decision of this Court in *International Shoe Company* v. *State of Washington,* 326 U.S. 310, 1945. The facts herein show petitioner's contention to be entirely erroneous, as we shall point out.

In view of the unrefuted fact that service of summons was attempted upon an employee of the New York company having no connection whatever with the Chicago company, the concurring decisions of the Courts below quashing service of summons, and dismissing the action as to the Chicago company (respondent), were proper, and this *completely disposed of the question of jurisdiction* as to respondent. However, in the statement of the facts of the case, the Circuit Court of Appeals (R. 64) recited that the Chicago company was not licensed to do business in New York, nor did it have any office in that State, and was not shown to have done any business therein. This did not conflict with the decision of this Court in *International Shoe Company* v. *State of Washington, supra,* which turned on the question

of the defendant "doing business" in the State of Washington, inasmuch as service there was made upon an *employee of the defendant* in that State. The situations are not analogous and there is no conflict between the decision of the Circuit Court of Appeals herein, and the decision of this Court just referred to.

The question of a reference to a master, like the other questions raised herein, is simply a matter of importance to the parties as distinguished from a situation involving principles the settling of which is important to the public (*Layne & Bowler Corp.* v. *Western Well Works, Inc. et al,* 261 U.S. 387, 67 L.Ed. 712), and there is no basis in petitioner's present criticism for granting certiorari herein. The Court of Appeals pointed out that so long as the facts relied upon for decision appeared without substantial contradiction in the record, no adequate basis for the request by petitioner for a reference was apparent.

It is therefore respectfully submitted that this case is not a proper one for review by certiorari in this Court, and that the petition for a writ of certiorari should be denied.

Respectfully submitted,

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June 28, 1951.